
NEWELL NORMAND SHERIFF

HARVEY, LOUISIANA



911 EMERGENCY COMMUNICATIONS
A Special Revenue Fund of the
Jefferson Parish Sheriff's Office
Harvey, Louisiana

ANNUAL FINANCIAL REPORT
For the Six Months Ended June 30, 2012

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FINANCIAL SECTION



Independent Auditor's Report

Sheriff Newell Normand
911 Emergency Communications Special Revenue Fund
Jefferson Parish Sheriff's Office
Harvey, Louisiana

We have audited the accompanying financial statements of the 911 Emergency Communications Special Revenue Fund of the Jefferson Parish Sheriff's Office, as of and for the six months ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the Jefferson Parish Sheriff's Office management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note A, the financial statements present only the 911 Emergency Communications Special Revenue Fund and do not purport to, and do not, present fairly the financial position of the Jefferson Parish Sheriff's Office as of June 30, 2012, and the changes in its financial position or, where applicable, its cash flows for the six months then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the 911 Emergency Communications Special Revenue Fund as of June 30, 2012, and the changes in financial position thereof for the six months then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2012, on our consideration of the 911 Emergency Communications Special Revenue Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the 911 Emergency Communications Special Revenue Fund of the Jefferson Parish Sheriff's Office. The individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements of the 911 Emergency Communications Special Revenue Fund of the Jefferson Parish Sheriff's Office. The information has been subjected to the auditing procedures applied in the financial statements of the 911 Emergency Communications Special Revenue Fund of the Jefferson Parish Sheriff's Office and certain additional procedures, including comparing and reconciling such information directly to the financial statements of the 911 Emergency Communications Special Revenue Fund of the Jefferson Parish Sheriff's Office themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of the 911 Emergency Communications Special Revenue Fund of the Jefferson Parish Sheriff's Office taken as a whole.

A handwritten signature in cursive script, appearing to read "LaForte".

A Professional Accounting Corporation

December 26, 2012

FUND FINANCIAL STATEMENTS

911 EMERGENCY COMMUNICATIONS SPECIAL REVENUE FUND

BALANCE SHEET
JUNE 30, 2012

	<u>2012</u>
ASSETS	
Cash and cash equivalents	\$ 4,287,244
Investments	-
Receivables (net of allowance for uncollectibles)	1,531,788
Due from other funds	9,466
Inventories	-
TOTAL ASSETS	<u><u>\$ 5,828,498</u></u>
LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts payable	\$ 121,072
Due to other funds	434,716
Due to other governments	673,365
Deferred revenue	-
TOTAL LIABILITIES	<u><u>1,229,153</u></u>
Fund Balances	
Non-spendable	-
Restricted	4,599,345
Committed	-
Assigned	-
Unassigned	-
TOTAL FUND BALANCES	<u><u>4,599,345</u></u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 5,828,498</u></u>

The accompanying notes are an integral part of this statement

911 EMERGENCY COMMUNICATIONS SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
FOR THE SIX MONTHS ENDED JUNE 30, 2012

	<u>2012</u>
REVENUES	
Taxes	
Property taxes	\$ -
Sales taxes	-
Intergovernmental	8,084,783
Service charges, fees, and commissions	3,920
Fines and forfeitures	-
Interest	6,616
Miscellaneous	-
TOTAL REVENUES	<u>8,095,319</u>
EXPENDITURES	
Current	
Public Safety	
Technical Services	
Salaries and benefits	-
General operating expenditures	785,659
Materials and supplies	8,899
Travel	526
Capital outlay	535,624
Intergovernmental	752,902
TOTAL EXPENDITURES	<u>2,083,610</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>6,011,709</u>
OTHER FINANCING SOURCES (USES)	
Transfers in	-
Transfers out	(1,412,364)
Capital leases	-
Sale of capital assets	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,412,364)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	4,599,345
FUND BALANCE	
Beginning of period	-
End of period	<u>\$ 4,599,345</u>

The accompanying notes are an integral part of this statement

911 EMERGENCY COMMUNICATIONS SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (BUDGETARY BASIS) AND ACTUAL
FOR THE SIX MONTHS ENDED JUNE 30, 2012

	ACTUAL (GAAP BASIS)	BUDGETARY TO GAAP DIFFERENCES	ACTUAL (BUDGETARY BASIS)	FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	ORIGINAL BUDGET
REVENUES						
Taxes						
Property taxes	-	\$ -	-	-	\$ -	-
Sales taxes	-	-	-	-	-	-
Intergovernmental	8,084,783	-	8,084,783	7,965,000	119,783	3,625,000
Service charges, fees, and commissions	3,920	-	3,920	1,000	2,920	-
Fines and forfeitures	-	-	-	-	-	-
Interest	6,616	-	6,616	6,250	366	1,250
Miscellaneous	-	-	-	-	-	-
TOTAL REVENUES	8,095,319	-	8,095,319	7,972,250	123,069	3,626,250
EXPENDITURES						
Current						
Public Safety						
Technical Services						
Salaries and benefits	-	-	-	-	-	-
General operating expenditures	785,659	(118,315)	667,344	868,750	201,406	871,525
Materials and supplies	8,899	(2,757)	6,142	25,300	19,158	22,500
Cost of goods sold	-	-	-	-	-	-
Travel	526	-	526	5,000	4,474	5,000
Programs and activities	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Capital outlay	535,624	-	535,624	540,750	5,126	30,000
Intergovernmental	752,902	-	752,902	752,900	(2)	752,902
TOTAL EXPENDITURES	2,083,610	(121,072)	1,962,538	2,192,700	230,162	1,681,927
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,011,709	(121,072)	6,132,781	5,779,550	353,231	1,944,323
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	(1,412,364)	(8,000)	(1,404,364)	(1,260,000)	(144,364)	(1,010,000)
Capital leases	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,412,364)	(8,000)	(1,404,364)	(1,260,000)	(144,364)	(1,010,000)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	4,599,345	(129,072)	4,728,417	4,519,550	208,867	934,323
FUND BALANCE						
Beginning of period	-	-	-	-	-	-
End of period	\$ 4,599,345	\$ (129,072)	\$ 4,728,417	\$ 4,519,550	\$ 208,867	\$ 934,323

The accompanying notes are an integral part of this statement

911 EMERGENCY COMMUNICATIONS
A Special Revenue Fund of the
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Harvey, Louisiana

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For the Six Months Ended June 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the 911 Emergency Communications Fund, a Special Revenue Fund of the Jefferson Parish Sheriff's Office, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Sheriff's 911 Fund's significant accounting policies are described below.

1. Reporting Entity

The Jefferson Parish Communications District was created on August 11, 1982 by Parish Ordinance No. 15353. The Louisiana Legislature further codified the statutes pertaining to the District in LRS 33:9121 et seq. Under these statutes, the Parish of Jefferson is responsible for establishing an emergency communications district utilizing the number 911 as the primary emergency telephone number in the Parish. The Parish governing authority (i.e., the Council) is also given oversight of the 911 District.

Under JP Resolution No. 118115, dated December 15, 2011, the Parish of Jefferson authorized Newell Normand, in his capacity as the Sheriff of Jefferson Parish (the "Sheriff"), to act as the administrator of the 911 District. A cooperative endeavor agreement was signed on January 5, 2012 and runs until June 30, 2016. Under this agreement, the Parish of Jefferson would continue to receive the amounts paid by the citizens to their telephone service providers and would then remit the collections to the Jefferson Parish Sheriff in the month after collection. The Jefferson Parish Sheriff would then deposit these funds into a Special Revenue Fund and account for all of the day-to-day activities of operating the 911 District within this fund.

This report only shows the 911 Emergency Communications Special Revenue Fund (the "Sheriff's 911 Fund"). It is presented separate and apart from the Jefferson Parish Sheriff in order to provide information on the activities performed under this agreement and does not purport to, and does not present the financial position of the Sheriff. The amounts included in this report are reported as a Special Revenue Fund within the Sheriff's basic financial statements.

2. Individual Fund Financial Statements

The Sheriff's 911 Fund uses fund accounting to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. The Sheriff's 911 Fund is classified as a *governmental fund*.

Governmental funds are used to account for all or most of the Sheriff's 911 Fund's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital project funds), and the servicing of general long-term debt (debt service funds), if any.

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NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For 2012, the Sheriff only reports a Special Revenue Fund (i.e., no capital or debt service activity related to the Sheriff's administration of the 911 District was incurred). As such, the **911 Emergency Communications Special Revenue Fund** is used to account for funds remitted to the Sheriff under the cooperative endeavor agreement with the Parish in order to administer the daily operations and maintenance of the Parish's 911 Emergency Communications District.

3. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Governmental fund financial statements are reported using a *current financial resources measurement focus* and the *modified accrual basis of accounting*. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet.

Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Under the modified basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Sheriff's 911 Fund considers the service charges remitted by the Parish to be available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when due, and certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Those revenues susceptible to accrual are intergovernmental reimbursement, interest and grants. Substantially all other revenues are recorded when received.

4. Assets, Liabilities and Net Assets/Fund Equity

A. *Cash and Investments*

For reporting purposes, cash and cash equivalents include amounts in demand deposits and petty cash.

In accordance with GASB statement No. 31, investments are generally stated at fair value. Money market investments that have a remaining maturity at time of purchase of one year or less are not stated at fair value but are stated at costs or amortized cost. Money market investments include short-term, highly liquid debt instruments such as commercial paper and U.S. Treasury and agency obligations.

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NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Louisiana Revised Statutes (LSA-RS 33:2955) authorized the Sheriff's 911 Fund to invest in (1) direct obligations of the United States Treasury, the principal and interest of which are fully guaranteed by the federal government, (2) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. government instrumentalities, (3) direct security repurchase agreements of any federal book entry only securities, (4) time certificates of deposits of state banks organized under the law of Louisiana and national banks having their principal offices in the state of Louisiana, savings accounts or shares of savings and loan associations, (5) in mutual or trust fund institutions, which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, which have underlying investments consisting solely of and limited to securities of the U.S. government or its agencies, or (6) guaranteed investment contracts issued by a bank, financial institution, insurance company, or other entity having one of the two highest short-term rating categories of either Standard & Poor's Corporation or Moody's Investors Service, provided that no such investment may be made except in connection with a financing program approved by the State Bond Commission.

B. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at year end are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements.

C. Inventories

The costs of material and supplies acquired by governmental funds are recorded as expenditures at the time of purchase. It is management's opinion that the inventory of such materials and supplies at June 30, 2012 would not be material to the financial statements.

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NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Deferred Charges and Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2012, are recorded as deferred charges or prepaid items in the fund financial statements. These items will be recognized as expenses or expenditures when the benefit or expense is earned/used.

E. Capital Assets

Capital assets, which include property, plant equipment and infrastructure assets, are not reported on the balance sheet at the fund financial statement level. As such, no capital assets are presented in this report. It should also be noted that the capital assets of the 911 Emergency Communications District are not reported within the financial statements of the Jefferson Parish Sheriff's Office. Since the Parish is still the governing authority and has title to the assets, they are recorded on the books of the Parish of Jefferson.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Instead, they are recorded as expenditures when incurred.

F. Long-term Obligations

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources which discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Payments of principal and interest are recorded as expenditures only when due.

G. Fund Equity

In accordance with Government Accounting Standards Board (GASB) Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*, in the fund financial statements, fund balances of the governmental fund types are categorized into one of five categories – Non-spendable, Restricted, Committed, Assigned, or Unassigned.

For *committed fund balances*, the Parish Council and/or the Sheriff is considered the highest level of decision-making authority and formal policy memorandum issued by each is needed to establish, modify, or rescind a fund balance commitment. For *assigned fund balances*, the Sheriff and/or Chief Financial Officer may assign amounts to a specific purpose via internal memorandum.

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NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition, while the Sheriff's 911 Fund has not formally adopted a minimum fund balance policy, in keeping with the precedence set by the Parish Council, it does have an internal targeted fund balance of 10.0 percent of current year expenditures.

While the Sheriff's 911 Fund has not established a policy for its use of unrestricted fund balance, it does consider that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

H. Use of Estimates

Preparation of financial statements in accordance with generally accepted accounting principles requires the Sheriff's 911 Fund to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures. Actual results could differ from the estimates that were used.

I. Subsequent Events

The Sheriff's 911 Fund has evaluated subsequent events through December 26, 2012, the date the financial statements were available to be issued.

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. Budgetary Information

Formal budgetary accounting is employed as a management control device during the year for the Sheriff's 911 Fund, because it is a Special Revenue Fund. The annual budget is legally adopted each year by a resolution authorized by the Sheriff.

Expenditures may not exceed budgeted appropriations at the fund level. Management of the Sheriff's 911 Fund may make line-item adjustments within a fund without the Sheriff's or the Parish's approval as long as the total revenues and expenditures do not change. Appropriations which are neither expended nor encumbered lapse at year end.

Budgets are adopted for on a basis consistent with generally accepted accounting principles (GAAP), except that (1) expenditures represented by unpaid invoices received after the year-end budgetary cut-off and which had not been encumbered are recognized when paid, (2) encumbrances are recorded as expenditures, (3) amounts paid under capital leases are budgeted as rent expenses rather than debt service, and (4) sales taxes and the related commissions are recorded when received.

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NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the Special Revenue Fund.

In accordance with the Louisiana Local Government Budget Act (LSA-RS 39:1301), the procedures used by the Sheriff in establishing the budgetary data in the financial statements include public notices of the proposed budget, public inspections and hearings. The budget is then legally adopted by the Sheriff through a formal implementation letter. All amendments to the budget must also be approved by the Sheriff. Budgeted amounts included in the accompanying statements are as originally adopted or as finally amended by the Sheriff as of June 25, 2012.

2. Amendments to the Budget

As noted above, this fund was set up in the middle of the Sheriff's fiscal year. The newly created 911 Emergency Communications Special Revenue Fund had no budget at the beginning of the year but a preliminary budget was adopted in January 2012 when the cooperative endeavor went into effect. The Sheriff made several supplemental budgetary appropriations through the year, the final being made on June 25, 2012. The most significant of the changes made are described below:

Revenues of the Sheriff's 911 Fund increased by \$4,346,000. The primary reason for this increase was the transfer of prior years' accumulated surplus from the Parish. The original budget had included ½ of a year's worth of service fees (i.e., six months). When it was discovered that the Parish held surplus funds in its 911-related Special Revenue and Capital Funds, these funds were transferred to the Sheriff's 911 Fund.

Expenditures of the Sheriff's 911 Fund were increased by \$510,773. A breakdown by category follows:

Fund/Bureau	Original Budget	Amendments	Final Budget
Salaries and benefits	\$ -	\$ -	\$ -
General operating expenditures	871,525	(2,775)	868,750
Materials and supplies	22,500	2,800	25,300
Travel	5,000	-	5,000
Capital outlay	30,000	510,750	540,750
Intergovernmental	752,902	(2)	752,900
Total	<u>\$ 1,681,927</u>	<u>\$ 510,773</u>	<u>\$ 2,192,700</u>

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NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

The increase of \$510,750 in capital outlay had to do with a final payment coming due on the new emergency dispatch equipment and furniture at the new 911 facility. It was originally thought that the Parish would pay this bill prior to the Sheriff taking over the operations, but the bill came due afterwards.

Transfers out were increased by \$250,000 to account for the reimbursement to the General Fund for Sheriff's Office IT personnel assigned directly to the 911 Center.

3. Expenditures in Excess of Appropriations

Overall, at the fund level, the Sheriff's 911 Fund had expenditures within the budgeted total. One category of expenditures, intergovernmental, was in excess of appropriations by \$2. This overage was caused by rounding.

4. Reconciliation of Budgetary Basis to GAAP Basis of Accounting in Fund Financial Statements

The Statement of Revenues, Expenditures and Changes in Fund Balances – Actual and Budget (Budgetary Basis) presents a comparison of the legally adopted budget with actual data on the budgetary basis. Since accounting principles on the budgetary basis differ from those used to present financial statements in conformity with generally accepted accounting principles (GAAP), a reconciliation of the resulting basis, timing, and entity differences in excess (deficiency) of revenues and other sources over expenditures and other uses for the six months ended June 30, 2012, is presented below:

	911 Fund
Excess (deficiency) of revenues and other sources over expenditures and other uses (budgetary basis)	\$ 4,728,417
Basis Difference	
To adjust for expenditures for unpaid invoices	(129,072)
Timing Differences	
To adjust for encumbrances	-
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP basis)	<u>\$ 4,599,345</u>

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NOTE C – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

1. Deposits with Financial Institutions and Investments

Deposits with Financial Institutions

The deposits at June 30, 2012, consisted of the following:

	Cash	Certificates of Deposit	Other	Total
Deposits in Bank Accounts per Balance Sheet	\$ 4,287,144	\$ -	\$ -	\$ 4,287,144
Bank Balances of Deposits Exposed to Custodial Credit Risk:				
A. Uninsured and uncollateralized	\$ -	\$ -	\$ -	\$ -
B. Uninsured and collateralized with securities held by the pledging institution	-	-	-	-
C. Uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the Sheriff's name	-	-	-	-
Total Bank Balances Exposed to Custodial Credit Risk	\$ -	\$ -	\$ -	\$ -
Total Bank Balances - All Deposits	\$ 4,795,308	\$ -	\$ -	\$ 4,795,308

Petty cash is not required to be reported in the note disclosure, however, to aid in reconciling amounts reported on the Statement of Net Assets to the amounts reported in this note, the Sheriff's 911 Fund held \$100 in petty cash at June 30, 2012.

State statutes require the Sheriff to protect the deposits of its public funds with either deposit insurance or collateral pledged by its fiscal agent bank in an amount at least equal to the amount on deposit at the bank. Because the Sheriff's 911 Fund is part of the Sheriff's Office, its deposits are covered by the same insurance and/or collateral. As noted above, all of the deposits were either insured or collateralized.

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NOTE C – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

2. Receivables

Receivables at June 30, 2012 consist of the following:

<u>Due From/Description</u>	<u>Amount</u>
Jefferson Parish	
May 2012 Service Fees	\$ 343,620
June 2012 Service Fees	862,438
Accumulated Surplus - JP 911 Capital Fund	325,730
	<u>\$ 1,531,788</u>

The Sheriff considers all receivables to be collectible; therefore, no allowance has been established for doubtful accounts.

The service fees were collected from the Parish shortly after year end. The amount of accumulated surplus in the Capital Fund is being examined by the Parish to determine whether any funds are not 911-related. It is the Sheriff's opinion that 100 percent of these funds are 911-related and should be remitted to the Sheriff. As such, the amount has been accrued on the books at June 30, 2012.

3. Capital Assets

Fund financial statements do not disclose capital assets on their balance sheets.

The capital assets of the 911 Emergency Communications District are recorded on the books of the Parish of Jefferson and not on the Sheriff's financial statements. The Parish Council is still the governing authority of the 911 District and has title to all assets purchased by the District.

Capital outlay expenditures are recorded in the fund financial statements. These outlays are reported to the Parish administration for capitalization purposes and asset tagging.

911 EMERGENCY COMMUNICATIONS
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For the Six Months Ended June 30, 2012

NOTE C – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

4. Operating Agreements and Leases

Operating Agreements

Under Parish Resolution No. 118115, dated December 15, 2011, the Sheriff is now the administrator of the 911 Emergency Communications District, formerly run by the Parish. Effective January 5, 2012, the Sheriff took over the daily operations of the district. Under this agreement, the Parish continues to receive the 911 service charges paid by the citizens to their respective telephone companies. These service charges are then remitted to the Sheriff in the month after collection. During 2012, the Parish remitted \$3,685,751 in service charges to the Sheriff. In addition, the Parish paid the Sheriff \$4,399,032 of prior year accumulated surplus funds. This total of \$8,084,783 is recognized as intergovernmental revenues in the fund financial statements.

As part of operating the 911 Emergency Communications District, the Sheriff is obligated to distribute certain portions of the 911 funds to the Parish and other agencies as a reimbursement of 911-related costs. The Jefferson Parish Eastbank Fire Department is paid \$103,935 monthly to reimburse it for Fire Dispatcher costs. The City of Kenner and the City of Gretna are paid a monthly amount of \$17,583 and \$3,965, respectively, as reimbursement for maintaining back-up PSAP-stations. Finally, the Sheriff's General Fund is reimbursed \$168,333 per month to reimburse it for costs associated with paying 911 call-takers and Police Dispatchers.

The Sheriff's 911 Fund also has an agreement with the Sheriff to reimburse the office for costs related to the upgrading of the Sheriff's Arrest Record Management System (ARMMS). These upgrades are necessary to allow proper communications between the new 911 software system and the Sheriff's records management system.

For 2012, the total amounts distributed under these agreements are as follows.

<u>Agency</u>	<u>Purpose</u>	<u>Distributed</u>
Sheriff's General Fund	911 Call-taker/Dispatch	\$ 1,178,333 (7 months)
Eastbank Fire	Dispatch	623,612
City of Kenner PD	PSAP	105,499
City of Gretna PD	PSAP	23,791
Total Intergovernmental		752,902
Total		\$ 1,931,235

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NOTE C – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

The Sheriff's 911 Fund is also a party to various operating and maintenance agreements. The most significant one has to do with the maintenance and support of the Tiburon Software system utilized by the 911 District to receive and dispatch emergency calls. When the system was purchased and installed, the first year's worth of maintenance and support was included in the amounts paid. During 2012, the Sheriff's 911 Fund expended \$-0- on this contract; however, over the next three years, the Sheriff's 911 Fund will be required to pay an annual maintenance and support fee of \$533,171.

The Sheriff's 911 Fund also has a maintenance and support agreement with Motorola related to the communication consoles and other radio and communications equipment and recorders. For 2012, the Sheriff's 911 Fund expended \$30,155 on this contract.

5. Fund Balance Components

In accordance with Government Accounting Standards Board (GASB) Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definition*, fund balances of the governmental fund types are categorized into one of five categories – Non-spendable, Restricted, Committed, Assigned, or Unassigned. The Sheriff's 911 Fund commits, restricts or assigns its fund balances to various specific purposes within each category. Descriptions of the details of these specific purposes are as follows:

Restricted for 911 Emergency Communications Operations and Maintenance

This amount represents the funds restricted for the purpose of operating and maintaining the 911 Emergency Communications District. These funds are remitted to the Sheriff under a cooperative endeavor agreement with the Parish and can only be spent on 911 District expenditures.

6. Service Charges and Fees

911 Fees

In accordance with LRS 33:9126, the Parish levies an emergency telephone service charge on the citizens of the Parish. These service charges are collected by the respective telephone service provider and remitted to the Parish either monthly or quarterly. The rates currently in effect are as follows:

<u>Type of Service</u>	<u>Rate</u>
Wireline Business (Commercial Rate)	\$ 2.07
Wireline Residential	0.66
Wireless Customers	1.26
VOIP Customers	1.00

The Parish remitted \$3,685,751 in current year fees to the Sheriff for the six month period from January to June 2012.

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NOTE C – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

7. Expenditures of the Sheriff's 911 Fund Paid by the Parish Council

The Jefferson Parish Council (a separate entity) provides the Sheriff's 911 Fund with a certain amount of office space at no cost. The operations of the 911 Emergency Communications District are co-located in new 911/Emergency Operations Center (911/EOC) with the Parish's Department of Homeland Security. The building is held in the name of the Parish. When the District was under the control of the Parish, the District paid for a substantial portion of the cost of the new 911/EOC Center, as well as an annex to the Parish's Parking Garage. In addition, the Parish holds title to the old facility which is currently being used as a back-up center.

The Sheriff is negotiating with the Parish administration on the amount of operating and maintenance costs the 911 District should be held accountable for. It is the Sheriff's opinion, that in lieu of the amounts paid by the 911 District for the new 911/EOC Building and the related Parish Government Parking Garage Annex, the 911 District should not pay any operating or maintenance costs on the new facilities. To date, the Sheriff's 911 Fund has paid \$-0- on these types of costs.

8. Interfund Transactions

Interfund Receivables/Payables

As of June 30, 2012, the Sheriff's 911 Fund shows a due from other funds of \$9,466 and a due to other funds of \$434,716. These amounts are due from or to the Sheriff's General Fund and represent costs paid for by the 911 Fund that are reimbursable from the Sheriff's General Fund or vice versa. The largest part of the Due to other Funds represents the reimbursement due the General Fund for May and June 2012 for call-takers and dispatchers (\$336,667).

Interfund Transfers

The Sheriff's General Fund pays for the salaries and benefits of the 911 Department's administration as well as the call-takers and dispatchers working in the 911 Department. The Sheriff's 911 Fund has an agreement with the Sheriff to reimburse him for a certain portion of these costs. The current agreement allows for the reimbursement to the Sheriff for up to \$2,020,000 per fiscal year for call-taker and dispatcher costs. A newer agreement also allows the Sheriff's 911 Fund to reimburse the Sheriff for computer department personnel assigned exclusively to the 911 Department. Finally, as noted above, the Sheriff's 911 Fund has an agreement to reimburse the Sheriff of upgrades to his ARMMS system.

Through June 30, 2012, the Sheriff's 911 Fund transferred \$1,412,364, as follows: \$1,178,333 to the Sheriff's General Fund for 911 call-takers/dispatchers, \$59,379 to the Sheriff's General Fund for 911-related computer department salaries, and \$174,651 to the Sheriff's State and Local Grants Special Revenue Fund for ARMMS upgrades.

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NOTE C- DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

9. Due to Other Governments

At June 30, 2012, the Sheriff's 911 Fund shows a liability due to other governments totaling \$673,365. This amount is made up of \$99,489 due to the Parish's 911 Special Revenue Fund to reimburse it for the salaries and benefits of an employee assigned to the 911 computer department, \$322,908 due to the Parish's 911 Special Revenue Fund to reimburse it for certain operating costs paid for in error after the cooperative agreement went into effect (primarily telephone network costs), \$207,871 due to the Parish's Eastbank Fire District to reimburse it for dispatching costs for the months of May and June 2012, \$7,930 due to the City of Gretna for PSAP-related costs for May and June 2012, and \$35,167 due to the City of Kenner for PSAP-related costs for May and June 2012.

NOTE D - CONTINGENCIES

1. Risk Management

The Sheriff is generally self-insured for the majority of risks that it faces (auto loss, general and professional liability, group health, etc.). The Parish is also self-insured in many cases. The Sheriff's employees that work in the 911 District are covered by its professional liability and group health plans.

The buildings and contents of the 911/EOC Center are covered by the Parish either by self-insurance or through insurance policies placed with carriers. The Sheriff also carries some insurance coverage on the contents (furniture and fixtures) of the 911 area of the building.

2. Litigation

The Sheriff is named as a defendant in a number of lawsuits arising principally from claims related to automobile accidents, negligence, and discrimination. As discussed in Note E.1 above, the Sheriff is primarily self-insured with respect to claims of these types. The Sheriff's insurance department and its attorneys have reviewed these claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the Sheriff and to arrive at an estimate, if possible, of the amount or range of potential loss to the Sheriff.

The liability of any claim against the Sheriff related to the performance of his employees on 911-related matters is recorded in the Sheriff's self-insurance internal service fund.

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INDIVIDUAL FUND
STATEMENTS AND SCHEDULES

911 EMERGENCY COMMUNICATIONS SPECIAL REVENUE FUND

SCHEDULE OF REVENUES
 BUDGET (BUDGETARY BASIS) AND ACTUAL
 FOR THE SIX MONTHS ENDED JUNE 30, 2012

	ACTUAL (GAAP BASIS)	BUDGETARY TO GAAP DIFFERENCES	ACTUAL (BUDGETARY BASIS)	FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	ORIGINAL BUDGET
REVENUES						
Taxes						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental						
Jefferson Parish CEA						
Current year fees	3,685,751	-	3,685,751	3,625,000	60,751	3,625,000
Prior year accumulated fees	4,399,032	-	4,399,032	4,340,000	59,032	-
Service charges, fees, and commissions	3,920	-	3,920	1,000	2,920	-
Fines and forfeitures	-	-	-	-	-	-
Interest	6,616	-	6,616	6,250	366	1,250
Miscellaneous	-	-	-	-	-	-
TOTAL REVENUES	<u>\$ 8,095,319</u>	<u>\$ -</u>	<u>\$ 8,095,319</u>	<u>\$ 7,972,250</u>	<u>\$ 123,069</u>	<u>\$ 3,626,250</u>

911 EMERGENCY COMMUNICATIONS SPECIAL REVENUE FUND

SCHEDULE OF EXPENDITURES
BUDGET (BUDGETARY BASIS) AND ACTUAL
FOR THE SIX MONTHS ENDED JUNE 30, 2012

	ACTUAL (GAAP BASIS)	BUDGETARY TO GAAP DIFFERENCES	ACTUAL (BUDGETARY BASIS)	FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	ORIGINAL BUDGET
EXPENDITURES						
Current						
Public Safety						
Technical Services						
Salaries and benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General operating expenditures						
Subscriptions	708	-	708	1,000	292	500
Dues	-	-	-	500	500	500
Permits & licenses	95	-	95	250	155	250
Advertising	91	-	91	125	34	125
Printing supplies	174	-	174	2,500	2,326	2,500
Utilities - electricity	31,233	-	31,233	30,000	(1,233)	96,000
Utilities - gas	-	-	-	250	250	2,500
Utilities - water	385	-	385	500	115	2,400
Postage	-	-	-	250	250	250
Telephone & communications	514,641	(110,382)	404,259	477,500	73,241	497,500
Radio & television	675	-	675	-	(675)	-
Rental/lease - office equipment	2,455	-	2,455	3,250	795	3,000
Repairs & maintenance						
Buildings	15,770	-	15,770	19,250	3,480	13,500
HVAC & plumbing	3,537	-	3,537	2,000	(1,537)	-
Communications equipment	58,036	(6,163)	51,873	114,250	62,377	128,750
Miscellaneous	-	-	-	500	500	500
Litter Control	-	-	-	500	500	500
Housekeeping and janitorial	10,941	(1,770)	9,171	13,000	3,829	34,500
Professional services						
Indirect costs	-	-	-	14,375	14,375	14,375
Accounting & auditing	4,626	-	4,626	5,000	374	12,500
Computer programming	42,804	-	42,804	53,250	10,446	60,000
Other	99,488	-	99,488	129,500	30,012	1,250
Insurance premiums	-	-	-	1,000	1,000	125
	<u>785,659</u>	<u>(118,315)</u>	<u>667,344</u>	<u>868,750</u>	<u>201,406</u>	<u>871,525</u>
Materials and supplies						
Office supplies	4,515	(2,757)	1,758	7,300	5,542	7,500
Supplies & licenses - computers	2,299	-	2,299	5,000	2,701	5,000
Special purpose supplies	-	-	-	10,000	10,000	10,000
Kitchen supplies	157	-	157	500	343	-
Tuition & registration fees	1,928	-	1,928	2,500	572	-
Gas & oil	-	-	-	-	-	-
	<u>8,899</u>	<u>(2,757)</u>	<u>6,142</u>	<u>25,300</u>	<u>19,158</u>	<u>22,500</u>
Travel						
Transportation	526	-	526	5,000	4,474	5,000
	<u>526</u>	<u>-</u>	<u>526</u>	<u>5,000</u>	<u>4,474</u>	<u>5,000</u>
Capital outlay						
Improvements other than buildings	3,180	-	3,180	3,500	320	-
Equipment	529,579	-	529,579	537,250	7,671	30,000
Furniture & fixtures	2,865	-	2,865	-	(2,865)	-
	<u>535,624</u>	<u>-</u>	<u>535,624</u>	<u>540,750</u>	<u>5,126</u>	<u>30,000</u>
Intergovernmental						
EB Fire	623,612	-	623,612	623,610	(2)	623,612
City of Gretna	23,790	-	23,790	23,790	-	23,790
City of Kenner	105,500	-	105,500	105,500	-	105,500
	<u>752,902</u>	<u>-</u>	<u>752,902</u>	<u>752,900</u>	<u>(2)</u>	<u>752,902</u>
TOTAL EXPENDITURES	<u>\$ 2,083,610</u>	<u>\$ (121,072)</u>	<u>\$ 1,962,538</u>	<u>\$ 2,192,700</u>	<u>\$ 230,162</u>	<u>\$ 1,681,927</u>

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COMPLIANCE SECTION



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Sheriff Newell Normand
911 Emergency Communications Special Revenue Fund
Jefferson Parish Sheriff's Office
Harvey, Louisiana

We have audited the accompanying financial statements of the 911 Emergency Communications Special Revenue Fund of the Jefferson Parish Sheriff's Office (the "Fund"), as of and for the six months ended June 30, 2012, and have issued our report thereon dated December 26, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Fund is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Fund's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the management of the Jefferson Parish Sheriff's Office, and the Louisiana Legislative Auditor, and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



A Professional Accounting Corporation

December 26, 2012